

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **February 11, 2003**

AGENDA ITEM NO.: 25

CONSENT:

REGULAR: **X**

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Solid Waste Management Residential Services**

RECOMMENDATION:

Recommend the approval of the attached Resolution regarding Solid Waste Management Residential Services, Funding and Payment Methods.

SUMMARY:

On April 9, 2002, representatives from Reed, Stowe and Yanke presented the Solid Waste Rate Analysis to City Council. The Solid Waste Management Fund is currently in a declining financial position; the debt coverage and Fund balance ratios continue to drop and are projected to fall below key financial targets during the next few years without rate adjustments. The rate study suggested establishing a monthly residential rate that would fully recover revenues necessary to cover all residential costs.

Three citizen meetings were held in September with approximately 200 citizens attending and offering comments, ideas and suggestions. A report that categorized the citizen comments into various areas was presented to Council.

During the past nine months, City Council has reviewed and discussed many options regarding Solid Waste residential services. As noted below under prior actions, City Council has reviewed and resolved several residential issues.

PRIOR ACTION(S):

May 28, 2002 – City Council approved user rates for tires, commercial, industrial and sludge and landfill tipping fee rates. City Council directed staff to bring back additional information regarding funding and payment options.

June 25, 2002 – City Council reviewed solid waste services and payment methods and directed staff to hold citizen meetings and discuss these issues and bring back their feedback and input.

October 29, 2002 – City Council reviewed citizen feedback and input regarding solid waste services and payment methods. Council also discussed the current services and possible changes, as well as funding options. Council asked staff to bring back information regarding options as specified with agreed upon assumptions.

November 5, 2002 – City Council reviewed Solid Waste Management issues including restricting residential refuse collection to single and multi-family complexes up to four units. City Council approved the change in collection beginning with the implementation of the semi-automated collection system. Council asked staff to bring back information regarding eliminating the free monthly trip to the landfill, offering different size carts and how to pay for the new system for the December 10 meeting.

December 10, 2002 – City Council approved the following actions:

- ? The implementation of semi-automated refuse collection.
- ? Free decals will be distributed to the disadvantaged, elderly on tax relief and the residents of the Tyreeanna/Pleasant Valley neighborhoods.
- ? City residents will be allowed one free trip per month to the landfill up to 250 lbs. (excludes brush and bulk trips)
- ? City residents will be allowed to bring to the landfill all bulk and brush without charge; (this would not count as the free monthly trip).
- ? The initial cost of the uniform trashcans and upgrade/purchase of semi-automated trash trucks will be paid for out of the Undesignated Solid Waste Fund Balance.

January 28, 2003 – City Council reviewed and reached consensus on the following issues:

- ? The size of the trash carts (32 and 64 gallon) that the City will provide to its residents. The residents will be allowed to select the appropriate size cart for their household.
- ? The current trash tag / decal system will remain in place and the current \$0.95 tag or \$40 annual decal will be required for use on the 32 gallon cart; either two \$0.95 tags or one \$1.90 tag will be required on the 64 gallon cart or two \$40 annual decals or an \$80 decal will be required. Residents placing bags out for collection will be required to attach a \$0.95 trash tag to the bag.
- ? A new \$5.00 solid waste fee will be charged to all single-family households and to multi-family complexes up to four units in size utilizing City trash collection services. The Billings and Collections Division will add this fee to the current utility bill for payment. It will be necessary to create a solid waste billing system for those single family households currently not using City water or sewer.
- ? Increased administrative and personnel costs in the Billings and Collections Division as well as the Utility Department were agreed upon. Two new positions in the Billings and Collections Division will be funded as well as increased overtime in the Utility Meter Reader Section up to \$5,000 will be paid by the Solid Waste Management Fund.

FISCAL IMPACT:

The financial condition of the Solid Waste Management Fund will become more stable with the anticipated implementation of the Solid Waste flat fee in October 2003. Listed below are the projected revenues and expenses related to the implementation of the changes in the residential solid waste management system:

Impacts on Revenue

| | |
|--|-------------|
| ? Flat Fee of \$5.00/month/household | \$1,110,000 |
| ? Reduction in large Multi-Family unit tag purchases | \$ (42,568) |

Impacts on Expenses

One-Time Expenses

| | |
|--|------------|
| ? Fund Balance | |
| ? New Refuse Trucks | \$ 420,000 |
| ? Retro-fitting existing refuse trucks | \$ 50,000 |
| ? Residential Trash carts | \$ 900,000 |
| ? Billings & Collections modifications | \$ 17,500 |
| ? Operating Budget | |
| ? Public Information Campaign | \$ 50,000 |

Recurring Expenses

| | |
|---|-----------|
| ? Operating Budget | |
| ? Carts for new customers | \$ 5,000 |
| ? Billings & Collections staffing | \$ 65,910 |
| ? Utilities – Meter Readers - Additional Overtime | \$ 5,000 |

- ? The next Solid Waste Fund rate study will be done in FY 2005

CONTACT(S):

Dave Owen (847-1806 ext. 22)
Bruce McNabb (847-1362 ext. 268)

ATTACHMENT(S):

Resolution

REVIEWED BY: lkp

Resolution

BE IT RESOLVED That City Council hereby approves the following changes to Solid Waste Management System, effective October 1, 2003:

Residential Services

- ✍ Implementation of a semi-automated residential refuse collection program, including the retrofitting of the existing refuse fleet.
- ✍ Restrict City residential refuse collection service to single and multi-family complexes up to four units.
- ✍ Provide City residents with either a 32-gallon or a 64-gallon trash cart. Residents will be allowed to select one cart of appropriate size for their household at no cost, with additional carts available for purchase from the City at cost.
- ✍ Retain the current residential discount for the low income/disadvantaged, elderly on tax relief, and the residents of the Tyreeanna/Pleasant Valley neighborhoods whereby one decal is provided annually at no cost. The decal provided shall be used on the 32-gallon trash carts.
- ✍ City residents will be allowed one free trip per month to the landfill up to 250 lbs. (excludes segregated brush and bulk trips).
- ✍ City residents will be allowed to bring to the landfill segregated bulk and brush without charge (this would not count as the free monthly trip).

Funding

- ✍ The Solid Waste Management Fund should be more self-sufficient; the Fund Balance should not be used to pay for operating costs.
- ✍ Operation Plant-A-Tree funds collected as a result of the recycling drop-off program will go to Solid Waste (Special Revenue Fund).
- ✍ The initial cost of the uniform trash carts and upgrade/purchase of semi-automated trash trucks will be paid for out of the Undesignated Solid Waste Fund Balance.

Payment Methods

- ✍ The current trash tag/decal system will remain in place with the following requirements: \$0.95 tag or \$40 annual decal will be required for use on the 32-gallon cart; either two \$0.95 tags or one \$1.90 tag will be required on the 64-gallon cart or two \$40 annual decals or an \$80 decal will be required. Residents placing bags out for collection will be required to attach a \$0.95 trash tag to the bag.
- ✍ A new \$5.00 solid waste fee will be charged to all single-family households and to multi-family complexes up to four units in size utilizing City trash collection services. The Billings and Collections Division will add this fee to the current utility bill for payment. It will be necessary to create a solid waste billing system for those single family households currently not using City water or sewer.
- ✍ Increased administrative and personnel costs in the Billings and Collections Division as well as the Utility Division due to the implementation of the new solid waste flat monthly fee. The two new positions and related expenses in the Billings and Collections Division will be funded as well as increased overtime in the Utility Meter Reader Section up to \$5,000 will be paid by the Solid Waste Management Fund.

BE IT FURTHER RESOLVED THAT City Council hereby directs that staff prepare the necessary amendments to the various sections of the City Code to incorporate the above changes for subsequent action by City Council.

Adopted:

Certified:

Clerk of Council

043L